

AUTHORIZING THE PANAMA CANAL COMPANY TO CON-  
VEY TO THE DEPARTMENT OF STATE AN IMPROVED  
SITE IN COLON, REPUBLIC OF PANAMA

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JUNE 6, 1956.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

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Mr. GARMATZ, from the Committee on Merchant Marine and Fisheries,  
submitted the following

R E P O R T

[To accompany H. R. 6245]

The Committee on Merchant Marine and Fisheries, to whom was referred the bill (H. R. 6245) to authorize the Panama Canal Company to convey to the Department of State an improved site in Colon, Republic of Panama, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

The purpose of the bill is to provide proper office and living quarters for the American consulate in Colon. The rented quarters formerly occupied were inadequate and in addition, the owner had requested removal of the offices. Thereupon, they were moved to the buildings which are the subject of this bill under a lease arrangement between the State Department and the Panama Canal Company. The two buildings presently occupied are within the area which, under the memorandum of understanding accompanying the recent treaty with the Republic of Panama, will be the subject of legislation to authorize conveyance to that Republic. The Panama Canal Company prefers to convey title to the State Department rather than continue the present lease arrangement, thus freeing itself from maintenance and repair obligations.

Under the bill, although it provides that the transfer shall be free of cost, the Panama Canal Company will not suffer financially, since under applicable rules the value of the real estate would be deducted from the net direct investment on which the Company is obligated to pay interest to the Treasury.

The departmental reports follow:

PANAMA CANAL COMPANY,  
*Washington, D. C., June 30, 1955.*

HON. HERBERT C. BONNER,  
*Chairman, Committee on Merchant Marine and Fisheries,  
House of Representatives.*

DEAR MR. BONNER: Your request to the Secretary of Defense for a report on the bill H. R. 6245, to authorize the Panama Canal Company to convey to the Department of State an improved site in Colon, Republic of Panama, has been referred to this office for a report on behalf of the Panama Canal Company.

The land and two buildings described in the bill are owned by the Panama Canal Company in the city of Colon, Republic of Panama, and are now being used by the Department of State for consular purposes. The bill would permit the transfer of the property to the Department of State without reimbursement.

The other real estate of the Panama Canal Company in Colon, except the railroad right-of-way, is scheduled for transfer in due course to the Republic of Panama without reimbursement, under the terms of a treaty and memorandum signed January 25, 1955, between the United States and the Republic of Panama. The commitment to Panama, which is subject to congressional action, expressly excepts from the proposed transfer to Panama the two lots which would be transferred to the United States (Department of State) under the subject legislation.

The transfer of the property would be subject to the provisions of section 246 (b) of the Panama Canal Company Act, as amended. Under those provisions the value of the transferred property as determined by the agencies concerned and approved by the Director of the Bureau of the Budget in accordance with the criteria set forth in the law, would be deducted from the net direct investment of the United States in the Panama Canal Company upon which the Company is required to pay interest to the United States Treasury. The value of the subject properties for such purpose is estimated at \$42,232.

Since the real property involved is intended for permanent use by the Department of State for consular purposes, and since it is presently so being used under lease from the Panama Canal Company, its removal from the Company's capital assets, with the resulting reduction in the interest base, is indicated and desirable, even apart from, and in advance of, the contemplated transfer to the Republic of Panama of adjacent Company real estate, referred to above. In any event, the Company prefers not to retain these two lots in the Republic of Panama as owner and landlord after its other properties are transferred. For these reasons, the Company recommends approval of the proposed legislation.

The Bureau of the Budget has advised that there is no objection to the submission of this report.

Sincerely yours,

W. M. WHITMAN, *Secretary.*

DEPARTMENT OF STATE,  
Washington, April 7, 1955.

Hon. SAM RAYBURN,  
*Speaker of the House of Representatives.*

DEAR MR. SPEAKER: There is transmitted herewith a draft of a proposed bill to authorize the Panama Canal Company to convey to the Department of State an improved site in Colon, Republic of Panama.

A treaty of mutual understanding and cooperation between the United States of America and the Republic of Panama was signed January 25, 1955. Under the terms of this treaty certain real property in the Fort de Lesseps area of Colon is being transferred from the ownership of the Panama Canal Company to the Panamanian Government. The commitment to Panama which is subject to congressional action expressly excepts from the proposed transfer to Panama the two lots which would be transferred to the Department of State under the subject legislation for consular offices and residential quarters. For your information, photostatic copies of survey drawing No. S-6117-37 dated December 28, 1954, and a metes and bounds description of the property are enclosed.

The Department of State now holds under lease the 2 buildings and land from the Panama Canal Company for a period of 10 years with firm option to renew for 5 additional 10-year periods, but it is the opinion of the Department that outright acquisition of this property would be in the best interests of the United States Government. The Panama Canal Company is unable to transfer the buildings and land (without reimbursement) unless congressional authorization is given. The Panama Canal Company is cognizant of the situation and is agreeable to this proposed legislation.

The proposed legislation does not require reimbursement from any funds appropriated to the Department of State. This conveyance will, so far as concerns the investment of the United States in the Panama Canal Company, be subject to the provisions of section 246 (b) of title 2 of the Canal Zone Code, as added by the act of June 29, 1948 (ch. 706, sec. 2, 62 Stat. 1076).

A similar communication is being sent to the President of the Senate.

The Department has been advised by the Bureau of the Budget that there is no objection to the submission of this proposed legislation to the Congress for its consideration.

Sincerely yours,

JOHN FOSTER DULLES.

A BILL To authorize the Panama Canal Company to convey to the Department of State an improved site in Colon, Republic of Panama

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That the Panama Canal Company, represented by its President or Vice President, is authorized to convey to the United States of America, represented by the United States Ambassador to the Republic of Panama, free of cost and for use by the Department of State for diplomatic and consular purposes, all of the right, title, and interest of the Panama Canal Company in and to a certain parcel of land situated in the de Lesseps area of the city of Colon, Republic of Panama, together with Panama

Canal Company buildings Nos. 621 and 622 located thereon. Said parcel of land fronts on the westerly side of Colonel Shaler Street, is bounded by Limon Bay on the west, has an area of 78,762 square feet, more or less (7,317 square meters, more or less), and is as shown on Panama Canal Company Drawing No. S-6117-37, entitled "United States Consulate Site, DeLesseps Area, Colon," scale 1:1,000, dated December 28, 1954, and as described more fully by metes and bounds in a metes and bounds description of the same date accompanying said drawing, both of which are on file in the Office of the Governor, Balboa Heights, Canal Zone. The lands and buildings conveyed under authority of this Act shall be administered and dealt with pursuant to the authority contained in the Foreign Service Buildings Act of 1926, as amended, just as though they were acquired under the authority of that Act.

BOUNDARY DESCRIPTION OF UNITED STATES CONSULATE SITE,  
DE LESSEPS AREA, COLON

Beginning at monument No. 2, which is a 1½-inch round scribed brass plug, located at the edge of a concrete sidewalk, on the boundary of Battery Morgan in the City of Colon, the geodetic position of which monument, referred to the Panama-Colon datum of the Canal Zone triangulation system is in latitude 9° 21' N. plus 5,451.23 feet (1,661.538 meters) and longitude 79° 54' W. plus 3,904.78 feet (1,190.179 meters) from Greenwich.

Thence from said initial point by metes and bounds:

N. 43° 00' 00" E., 224.00 feet (68.275 meters) along the boundary of Battery Morgan to monument A, which is an iron rod in concrete;

S. 47° 00' 00" E., 43.01 feet (13.109 meters), to monument B, which is an iron rod in concrete, located at the back of the curb of the turn-in to Battery Morgan, on the westerly side of Colonel Shaler Street;

On the curve to the right, following the back of the above mentioned curb, 7.38 feet (2.249 meters), to monument C, which is an iron rod in concrete, located at the back of the curb on the westerly side of Colonel Shaler Street. The direct bearing and distance from monument B to monument C is S. 00° 56' 00" E., 7.36 feet (2.243 meters);

Southwesterly, along the back of the curb on the westerly side of Colonel Shaler Street, 311.70 feet (95.006 meters), to monument D, which is an iron rod in concrete. The direct bearing and distance from monument C to monument D is S. 07° 18' 40" W., 311.64 feet (94.988 meters);

S. 71° 32' 45" W., 224.80 feet (68.519 meters) along a line which is 18.00 feet (5.486 meters) southeasterly from and parallel to the southeasterly face of building No. 622, through monument D-1, which is a monel plug in the center of a concrete sidewalk, and monument E, which is a brass plug located in the top of the concrete sea wall, to an unmarked point called E-1, located at the outside face of the concrete sea wall at its base, the distances being 162.72 feet (49.597 meters) 60.88 feet (18.556 meters) and 1.20 feet (0.366 meters), successively, from beginning of the course;

Northwesterly and northeasterly, 384 feet, more or less, (117 meters, more or less) along the outside face of the above mentioned sea wall, at its base, and the outside face, at its base, of a newly constructed



sea wall, to an unmarked point called F, located at the northwesterly corner of the last mentioned sea wall. The direct bearing and distance from point E-1 to F is N.  $02^{\circ} 40' 35''$  W., 373.05 feet (113.706 meters);

S.  $78^{\circ} 42' 00''$  E., 2.80 feet (0.853 meters), to monument No. 4-A, which is a monel plug located at the top edge of the old sea wall on the westerly boundary of Battery Morgan;

Thence following the boundary of Battery Morgan to monument No. 2 as follows:

Southeasterly, on a curve to the left, with a radius of 91.00 feet (27.737 meters), 17.53 feet (5.343 meters) to monument No. 4, which is a monel plug located at the foot of a concrete wall. The direct bearing and distance from monument No. 4-A to monument No. 4 is S.  $30^{\circ} 31' 00''$  W., 17.50 feet (5.334 meters);

Southeasterly, on a curve to the left, with a radius of 56.86 feet (17.331 meters), 44.66 feet (13.612 meters) to monument No. 3, which is a monel plug located in the edge of a concrete wall. The direct bearing and distance from monument No. 4 to monument No. 3 is S.  $24^{\circ} 30' 00''$  E., 43.52 feet (13.265 meters);

S.  $47^{\circ} 00' 00''$  E., 90.64 feet (27.627 meters) to monument No. 2, the point of beginning.

The directions of the lines refer to the true meridian.

The above described tract contains an area of 78,762 square feet, more or less (7,317 square meters, more or less), and is as shown on Panama Canal Company drawing S-6117-37, entitled "U. S. Consulate Site, DeLesseps Area, Colon," scale 1:1000, dated December 28, 1954, on file in the Office of the Governor, Balboa Heights, C. Z.

R. B. ELY,  
*Chief, Surveys Branch.*

December 28, 1954.

There are no changes in existing law.



